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ICI President Urges Securities Markets to Maintain Focus on Protecting Investor Interests, September 2005

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Washington, DC, September 22, 2005 – In his [keynote address](#) at the 2005 Equity Markets Conference, Investment Company Institute President Paul Schott Stevens urged securities market participants to maintain a strong focus on the needs of individual investors. Noting the significant stake in the markets represented by mutual funds and their shareholders, Stevens called for better market efficiency, strict confidentiality of trading information, and continued strong and effective oversight of the markets.

“The bedrock propositions upon which every successful fund manager bases its business are loyalty and care – loyalty to the interests of the fund’s investors, and care in fulfilling its responsibilities to them,” Stevens said. “The more efficiently the markets work for funds as investors, the more benefit funds are likely to be able to return to their shareholders.” Stevens said. “This necessitates that the ICI engage at the level of national policy – raising our voice to advance the interests of millions of average investors who participate in the equity markets through mutual funds.”

Stevens was joined at the conference by Annette Nazareth, SEC Commissioner and former director of Market Regulation; Robert Greifeld, president and CEO of the Nasdaq Stock Market; and John Thain, CEO of the New York Stock Exchange.

“Market structure reforms have a significant impact on funds and other institutional investors: greater efficiencies in the markets result in lower costs and better execution for funds, and hence for their shareholders. Our goal is to ensure that our markets are highly competitive while facilitating the efficient execution of investor orders,” Stevens said.

Stevens described recent developments in the securities markets as important steps toward achieving that goal. He cited the Institute’s support of the adoption of Regulation NMS, which enables increased automation of order execution and increased interaction of investor orders. “We called it as we saw it – but our position was not popular in many circles,” he said. Stevens also pointed to the NYSE plan to restructure itself as a “hybrid” market, which incorporates elements of a traditional auction market with those of an electronic market. “The NYSE’s proposal is an important step in implementing much needed automation on the Exchange and facilitating more efficient trading of listed securities,” he said.

Stevens called for all market participants to join forces in addressing the challenges of the future. “Today it is in the interest of us all to stand together. All market participants must work together to ensure that the new rules are implemented effectively, to promote the smooth functioning of our markets and protect the interest of investors.”

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